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RUEHKP/AMCONSUL KARACHI PRIORITY 8498
RUEHLH/AMCONSUL LAHORE PRIORITY 4434
RUEHPW/AMCONSUL PESHAWAR PRIORITY 3064
RUEKJCS/SECDEF WASHINGTON DC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 005383

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SUBJECT: BHUTTO'S ASSASSINATION: THE DAY AFTER

REF: ISLAMABAD

Classified By: Anne W. Patterson, for reasons 1.4 (b)(d)

11. (C) Summary. Benazir Bhutto's family and supporters are consumed with funeral and mourning ceremonies, but the struggle for party leadership between Benazir's husband, Asif Ali Zardari, and PPP Vice Chairman Amin Faheem has begun. The USG is perceived as being the power behind Bhutto's return to Pakistan, and Faheem's supporters already are touting the Secretary's December 27 call as evidence of USG support for his leadership in the party. We believe that intervention with Nawaz Sharif to argue against a boycott would be well-received by both the government and the PPP. We anticipate that the current violence will subside in most of Pakistan after the three-day mourning period ends. End Summary.

12. (U) Pakistan this morning is reeling with shock and gloom over the December 27 assassination of Pakistan People's Party leader Benazir Bhutto. The funeral began at 1430 local time in Larkana; the GOP sent a C-130 and helicopters to transfer Bhutto's body from Rawalpindi to Larkana. Benazir's husband, Asif Ali Zardari and Benazir's three children arrived last night. Bhutto has been interred next to her father, Zulfikar, and the scene at the family home in Larkana is chaotic as grief-stricken supporters are swarming the house, grounds and family mausoleum.

13. (C) Following sporadic violence across Pakistan last night, attacks on vehicles, banks and government offices continued today, particularly in Bhutto's home province of Sindh and in Balochistan. The GOP declared a three-day mourning period so government offices, shops, banks and the stock exchange are closed. The media is reporting al Qaeda has claimed credit, but much of PPP supporters' anger and frustration is being directed at government-related targets because they blame the GOP for not providing Bhutto with adequate security. The fact that Bhutto, a Sindhi, was killed in the Punjab will be played out in inter-provincial rivalries for years to come.

14. (C) We expect violence to continue during the three-day mourning period in major cities, and probably for several more days in Karachi and other parts of Sindh. Several commentators noted that the attack on Bhutto took place in Liaquat Bagh, a field where Pakistan's first Prime Minister was assassinated in 1951 and a government paramilitary force attacked a political rally in 1973; it is near where

Benazir's father was hung by President Zia in 1979. Although today's press coverage provided fairly balanced obituaries describing Bhutto's strengths and weaknesses, we expect she will increasingly be idolized in the coming days. It is important to remember that Benazir, her father and her two brothers were all murdered; to Pakistanis, the family is akin to the Kennedys, and the people need to vent their national grief. Here, grief often translates into violent acts, but it remains to be seen whether the current violence will carry over into the new year and the scheduled elections.

PPP Leadership Vacuum

15. (C) Bhutto's death 12 days before the general election leaves the party in a serious quandry, and there are already signs of a power struggle. Bhutto's demanding and autocratic style left little room for competitors to emerge, so most PPP leadership skills are as yet untested. The main contenders for party leadership are Benazir's husband, Zardari, and PPP Vice Chairman Amin Faheem. Another possibility is Aitzaz Ahsan, the lawyer who defended the former Chief Justice and is now President of the Supreme Court Bar Association.

16. (C) PPP is a family-based feudal party that has been living on the legacy of former Prime Minister Zulfakir Bhutto and now his daughter Benazir. Therefore, the natural choice for Benazir's successor would be a direct family member. However, Benazir's sister Sanam has shunned politics, and Benazir's children are too young (aged 18, 17 and 14). Zardari, although unpopular with party rank and file, could be considered as a placeholder at least until one of the children takes over. Zardari comes with a great deal of

ISLAMABAD 00005383 002 OF 003

baggage, so much so that he did not return to Pakistan with Benazir when she returned from exile in October. He has spent 11 years in and out of prison, charged but never convicted of crimes ranging from blackmail and extortion to murder. He is known as "Mr. Ten-Percent" because of his alleged corruption during Benazir's terms as Prime Minister. Zardari reportedly is in poor health with diabetes, heart trouble and spinal injuries. But he was particularly vocal in accusing the GOP of complicity after the October 18 bombing of Bhutto's welcome home rally in Karachi; he is likely to repeat his attacks on the GOP in the next few days.

17. (C) Faheem was the PPP in-country leader during Bhutto's eight years of self-imposed exile; he is a senior parliamentarian, former Minister of Communications (1993-2002) and Housing (1993-1996) and he competed for Prime Minister with the PML's Chaudhry Shujaat Hussain in 2004. Faheem is well-respected in PPP party circles and is known as a completely loyal Bhutto supporter. He is moderate and secular. He leads a spiritual group which promotes the peaceful Sufi values of Islam (while enjoying an occasional bloody mary). Importantly for a Sindh-based party, he is from Hala in Sindh. But Faheem is known as a weak leader with little of the charisma needed to lead an emotionally devastated party as a Prime Minister.

18. (C) Ahsan is undoubtedly PPP's most brilliant mind and strategist. He was the only Pakistani politician to capitalize on the March suspension of the former Chief Justice by organizing nation-wide rallies, and he mounted a stirring defense of the former Chief Justice in court. But Bhutto, then seeking a deal with Musharraf, did not endorse Ahsan's campaign and she barely approved his candidacy for re-election. Ahsan has been hedging his bets, including by meeting with Nawaz Sharif in London earlier this year. Ahsan also was considered the strategist who convinced the former Chief Justice to goad Musharraf into declaring a state of emergency. Ahsan has since cast his lot with the lawyers; he withdrew his candidacy for re-election on December 15. Our PPP contacts do not believe the party will adopt the controversial Ahsan as a leader because he had all but split

with Bhutto prior to her death. With Bhutto gone, however, Ahsan may well form a splinter party in the future.

Elections on Schedule?

¶9. (C) Faheem announced December 27 that the PPP would adopt a 40 day period of mourning; all parties have suspended campaigning for the three-day mourning period announced the government. All the PPP leaders are engaged in funeral/mourning so they have made no public statements on whether they will continue with elections. However, analysts believe that the "grief factor" will enhance the PPP's chances in the upcoming elections. Some observers have proposed a delay, but a delay is likely to expose the PPP leadership battle and over time create doubts about the party's ability to deliver all-important electoral perks.

¶10. (C) Shahbaz Sharif told CG Lahore (septel) that, indeed, the PML-N intends now to boycott the election. The PML is still playing a dangerous game of hoping to undermine the credibility of the elections and promote street protests that require the Army to step in and restore order. Despite public proclamations against the military's role in politics, Nawaz knows that this is the only way to deliver on his goal of ousting Musharraf.

¶11. (C) If Nawaz's PML-N party does boycott the elections, the most likely result will be to clear the field for Chaudhry Pervaiz Elahi, the PML candidate, to become the next Prime Minister. Before Bhutto's assassination, PML and PML-N share a center-right power base in the critical Punjab, and they were headed towards splitting the vote to Bhutto's benefit. Some PLM-N members may contest despite the boycott.

¶12. (C) Musharraf reportedly will call an All Parties Conference in the coming days to consult with political parties on the way forward for elections. At a minimum, there will be no more big rallies in the few remaining campaign days, and the government will have to use additional Army/police forces to maintain security on election day. The

ISLAMABAD 00005383 003 OF 003

All Parties Conference could conclude that it is better to delay elections.

¶13. (C) Comment: The President's message of condolence and condemnation has been well received, but contacts caution that we wait until the three-day mourning period ends before engaging the PPP on political decisions. The USG is perceived as being the power behind Bhutto's return to Pakistan, and Faheem's supporters in the PPP already are touting the Secretary's December 27 call as evidence of USG support for

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his leadership in the party. However, we believe that intervention with the PML-N to argue against a boycott would be well-received by the government and the PPP.

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